## AMENDED IN SENATE MAY 20, 2008 AMENDED IN ASSEMBLY MARCH 24, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

## ASSEMBLY BILL

No. 3042

Introduced by Committee on Public Employees, Retirement and Social Security (Hernandez (Chair), Mullin, Soto, and Torrico)

February 25, 2008

An act to amend Section 1094.5 of the Code of Civil Procedure, and to amend Sections 18670, 19175, 19574, 19574.1, 19574.2, 19575, 19576, 19578, 19582, and 19583 of, to repeal Sections 19173.1, 19175.3, 19570.1, 19572.1, 19576.5, 19576.6, 19582.1, and 19582.6 of, and to repeal and add Section 18575 of, the Government Code, relating to civil service.

## LEGISLATIVE COUNSEL'S DIGEST

AB 3042, as amended, Committee on Public Employees, Retirement and Social Security. Civil service.

(1) Existing law, with regard to the civil service, generally provides that whenever a notice, paper, or other document, except a subpoena, is directed to be given to or served upon any person or state agency, the notice, paper, or document may be personally served or served by mail to the last known residence or business address of the addressee. Existing law requires that giving of notice of matters to be heard or considered by the State Personnel Board or the Department of Personnel Administration be governed by board or department rule. Existing law provides a specified process for service by mail of the charges in a disciplinary proceeding, the notice of an employee's suspension, and the notice of a probationer's rejection.

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This bill would revise and recast these provisions. The bill would require the appointing power to provide service of notice of certain actions, including a disciplinary action, a rejection during probation, a medical action, and various termination actions, by personal service or by mail or express service carrier, pursuant to a specified process. The bill, in permitting service by Express Mail, as specified, and by overnight delivery by express service carrier, would provide that any period of notice or any right or duty to do any act or make any response is extended as specified. The bill would also require service of an appeal or complaint filed with the board to follow this process. The bill would require a signed affidavit, in a specified form, of the person making service as proof of service for all papers, including excluding appeals and complaints. The bill would require additional information on the affidavit if service is made by mail or express service carrier. The bill would delete provisions regarding matters to be heard or considered by the State Personnel Board or the Department of Personnel Administration, described above.

(2) Existing law contains various provisions relating to civil service and employer-employee relations between the state and its employees. Among other things, these provisions include procedures for disciplining state employees, including State Personnel Board investigations and hearings, the review of administrative decisions, and suspensions.

Existing law provides that certain of those disciplinary procedures do not apply to, and provides alternative procedures for, state employees in State Bargaining Unit 8 and state employees in State Bargaining Unit 11 who have been disciplined for positive drug test results and who expressly waive appeal to the State Personnel Board and invoke arbitration proceedings pursuant to a collective bargaining agreement. Existing law also provides that certain of those disciplinary procedures, as they apply to members of State Bargaining Units 8, 12, and 13, are subject to modification pursuant to the terms of a memorandum of understanding between the state employer and that bargaining unit, as specified.

Under existing case law, certain of the above provisions, which permit specified state employees to seek review of disciplinary actions through grievance or arbitration procedures outside of the State Personnel Board, were held to violate the state constitutional mandate that the board review disciplinary actions against state civil service employees.

This bill would repeal the disciplinary procedures described above, and certain other provisions relating to probationary periods, as those \_3\_ AB 3042

procedures and provisions apply to State Bargaining Units 8, 11, 12, and 13. The bill would make other related changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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The people of the State of California do enact as follows:

SECTION 1. Section 1094.5 of the Code of Civil Procedure is amended to read:

1094.5. (a) Where the writ is issued for the purpose of inquiring into the validity of any final administrative order or decision made as the result of a proceeding in which by law a hearing is required to be given, evidence is required to be taken, and discretion in the determination of facts is vested in the inferior tribunal, corporation, board, or officer, the case shall be heard by the court sitting without a jury. All or part of the record of the proceedings before the inferior tribunal, corporation, board, or officer may be filed with the petition, may be filed with respondent's points and authorities, or may be ordered to be filed by the court. Except when otherwise prescribed by statute, the cost of preparing the record shall be borne by the petitioner. Where the petitioner has proceeded pursuant to Section 68511.3 of the Government Code and the Rules of Court implementing that section and where the transcript is necessary to a proper review of the administrative proceedings, the cost of preparing the transcript shall be borne by the respondent. Where the party seeking the writ has proceeded pursuant to Section 1088.5, the administrative record shall be filed as expeditiously as possible, and may be filed with the petition, or by the respondent after payment of the costs by the petitioner, where required, or as otherwise directed by the court. If the expense of preparing all or any part of the record has been borne by the prevailing party, the expense shall be taxable as costs. (b) The inquiry in such a case shall extend to the questions

(b) The inquiry in such a case shall extend to the questions whether the respondent has proceeded without, or in excess of jurisdiction; whether there was a fair trial; and whether there was any prejudicial abuse of discretion. Abuse of discretion is established if the respondent has not proceeded in the manner required by law, the order or decision is not supported by the findings, or the findings are not supported by the evidence.

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(c) Where it is claimed that the findings are not supported by the evidence, in cases in which the court is authorized by law to exercise its independent judgment on the evidence, abuse of discretion is established if the court determines that the findings are not supported by the weight of the evidence. In all other cases, abuse of discretion is established if the court determines that the findings are not supported by substantial evidence in the light of the whole record.

- (d) Notwithstanding subdivision (c), in cases arising from private hospital boards or boards of directors of districts organized pursuant to The Local Hospital District Law, Division 23 (commencing with Section 32000) of the Health and Safety Code or governing bodies of municipal hospitals formed pursuant to Article 7 (commencing with Section 37600) or Article 8 (commencing with Section 37650) of Chapter 5 of Division 3 of Title 4 of the Government Code, abuse of discretion is established if the court determines that the findings are not supported by substantial evidence in the light of the whole record. However, in all cases in which the petition alleges discriminatory actions prohibited by Section 1316 of the Health and Safety Code, and the plaintiff makes a preliminary showing of substantial evidence in support of that allegation, the court shall exercise its independent judgment on the evidence and abuse of discretion shall be established if the court determines that the findings are not supported by the weight of the evidence.
- (e) Where the court finds that there is relevant evidence that, in the exercise of reasonable diligence, could not have been produced or that was improperly excluded at the hearing before respondent, it may enter judgment as provided in subdivision (f) remanding the case to be reconsidered in the light of that evidence; or, in cases in which the court is authorized by law to exercise its independent judgment on the evidence, the court may admit the evidence at the hearing on the writ without remanding the case.
- (f) The court shall enter judgment either commanding respondent to set aside the order or decision, or denying the writ. Where the judgment commands that the order or decision be set aside, it may order the reconsideration of the case in the light of the court's opinion and judgment and may order respondent to take such further action as is specially enjoined upon it by law, but the

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judgment shall not limit or control in any way the discretion legally vested in the respondent.

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(g) Except as provided in subdivision (h), the court in which proceedings under this section are instituted may stay the operation of the administrative order or decision pending the judgment of the court, or until the filing of a notice of appeal from the judgment or until the expiration of the time for filing the notice, whichever occurs first. However, no such stay shall be imposed or continued if the court is satisfied that it is against the public interest. The application for the stay shall be accompanied by proof of service of a copy of the application on the respondent. Service shall be made in the manner provided by Title 5 (commencing with Section 405) of Part 2 or Chapter 5 (commencing with Section 1010) of Title 14 of Part 2. If an appeal is taken from a denial of the writ, the order or decision of the agency shall not be stayed except upon the order of the court to which the appeal is taken. However, in cases where a stay is in effect at the time of filing the notice of appeal, the stay shall be continued by operation of law for a period of 20 days from the filing of the notice. If an appeal is taken from the granting of the writ, the order or decision of the agency is stayed pending the determination of the appeal unless the court to which the appeal is taken shall otherwise order. Where any final administrative order or decision is the subject of proceedings under this section, if the petition shall have been filed while the penalty imposed is in full force and effect, the determination shall not be considered to have become moot in cases where the penalty imposed by the administrative agency has been completed or complied with during the pendency of the proceedings.

(h) (1) The court in which proceedings under this section are instituted may stay the operation of the administrative order or decision of any licensed hospital or any state agency made after a hearing required by statute to be conducted under the Administrative Procedure Act, as set forth in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, conducted by the agency itself or an administrative law judge on the staff of the Office of Administrative Hearings pending the judgment of the court, or until the filing of a notice of appeal from the judgment or until the expiration of the time for filing the notice, whichever occurs first. However, the stay shall not be imposed or continued unless the

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1 court is satisfied that the public interest will not suffer and that the 2 licensed hospital or agency is unlikely to prevail ultimately on the 3 merits. The application for the stay shall be accompanied by proof 4 of service of a copy of the application on the respondent. Service 5 shall be made in the manner provided by Title 5 (commencing 6 with Section 405) of Part 2 or Chapter 5 (commencing with Section 7 1010) of Title 14 of Part 2.

- (2) The standard set forth in this subdivision for obtaining a stay shall apply to any administrative order or decision of an agency that issues licenses pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code or pursuant to the Osteopathic Initiative Act or the Chiropractic Initiative Act. With respect to orders or decisions of other state agencies, the standard in this subdivision shall apply only when the agency has adopted the proposed decision of the administrative law judge in its entirety or has adopted the proposed decision but reduced the proposed penalty pursuant to subdivision (b) of Section 11517 of the Government Code; otherwise the standard in subdivision (g) shall apply.
- (3) If an appeal is taken from a denial of the writ, the order or decision of the hospital or agency shall not be stayed except upon the order of the court to which the appeal is taken. However, in cases where a stay is in effect at the time of filing the notice of appeal, the stay shall be continued by operation of law for a period of 20 days from the filing of the notice. If an appeal is taken from the granting of the writ, the order or decision of the hospital or agency is stayed pending the determination of the appeal unless the court to which the appeal is taken shall otherwise order. Where any final administrative order or decision is the subject of proceedings under this section, if the petition shall have been filed while the penalty imposed is in full force and effect, the determination shall not be considered to have become moot in cases where the penalty imposed by the administrative agency has been completed or complied with during the pendency of the proceedings.
- (i) Any administrative record received for filing by the clerk of the court may be disposed of as provided in Sections 1952, 1952.2, and 1952.3.
- (j) Effective January 1, 1996, this subdivision shall apply to state employees in State Bargaining Unit 5. For purposes of this

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section, the court is not authorized to review any disciplinary decisions reached pursuant to Section 19576.1 of the Government Code.

- SEC. 2. Section 18575 of the Government Code is repealed.
- 5 SEC. 3. Section 18575 is added to the Government Code, to 6 read:
  - 18575. (a) Except as otherwise provided in subdivisions (b) and (c), service by mail of any notice, paper, or document to be served upon a person or appointing power shall be made in the manner provided by Sections 1012 and 1013 of the Code of Civil Procedure.
  - (b) (1) The appointing power shall provide service of the following actions by personal service or by mail or express service carrier as provided in this subdivision:
    - (A) Notice of disciplinary action.
  - (B) Notice of rejection during probationary period.
- 17 (C) Notice of medical action.

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- 18 (D) Notice of nonpunitive action.
- 19 (E) Notice of career executive assignment termination.
- 20 (F) Notice of termination with fault of a limited term, seasonal, or temporary authorization appointment.
  - (G) Notice of termination of an appointment under the Limited Examination and Appointment Program.
  - (H) Notice of termination or automatic resignation of a permanent intermittent employee.
  - (I) Notice of absence without leave resignation or separation pursuant to Section 89541 of the Education Code.
  - (2) Service by mail of the notices listed in paragraph (1) shall be made by enclosing the notice in a sealed envelope, addressed to the last known residence address of the employee, and doing any of the following:
  - (A) Deposit in the United States mail with postage fully prepaid, certified with return receipt requested. Service is complete at the time of deposit, but any period of notice or any right or duty to do any act or make any response within any period or on a date certain after the service of the document served by United States mail shall be extended in accordance with subdivision (a) of Section 1013 of the Code of Civil Procedure.
- 39 (B) Deposit in the United States mail with Express Mail postage 40 fully prepaid. Service is complete at the time of deposit, but any

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period of notice or any right or duty to do any act or make any response within any period or on a date certain after the service of the document served by Express Mail shall be extended by two business days.

- (C) Providing for overnight delivery, by deposit of the notice in a box or other facility regularly maintained by an express service carrier, or delivery to a courier or driver authorized by an express service carrier to receive documents, in an envelope or package designated by the express service carrier with delivery fees paid or provided for, and with the employee or his or her designated representative required to acknowledge receipt of the notice at the time of delivery. Service is complete at the time of the deposit, but any period of notice or any right or duty to do any act or make any response within any period or on a date certain after the service of the document served by overnight delivery shall be extended by two business days.
- (c) (1) Service of an appeal or complaint filed with the board shall be made by personal service or by mail or express service carrier as provided in this subdivision.
- (2) Service by mail of an appeal or complaint filed with the board shall be made by enclosing the notice in a sealed envelope, addressed to the Appeals Division of the State Personnel Board, and doing any of the following:
- (A) Deposit in the United States mail with *first-class* postage fully—prepaid, certified with return receipt requested *prepaid*. Service is complete at the time of deposit, but any period of notice or any right or duty to do any act or make any response within any period or on a date certain after the service of the document served by United States mail shall be extended in accordance with subdivision (a) of Section 1013 of the Code of Civil Procedure.
- (B) Deposit in the United States mail with Express Mail postage fully prepaid. Service is complete at the time of deposit, but any period of notice or any right or duty to do any act or make any response within any period or on a date certain after the service of the document served by Express Mail shall be extended by two business days.
- (C) Providing for overnight delivery, by deposit of the appeal or complaint in a box or other facility regularly maintained by an express service carrier, or delivery to a courier or driver authorized by an express service carrier to receive documents, in an envelope

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or package designated by the express service carrier with delivery fees paid or provided for, and with the authorized representative of the State Personnel Board required to acknowledge receipt of the appeal or complaint at the time of delivery. Service is complete at the time of the deposit, but any period of notice or any right or duty to do any act or make any response within any period or on a date certain after the service of the document served by overnight delivery shall be extended by two business days.

(d) (1) Proof of service of all papers,—including excluding appeals and complaints, shall be an affidavit stating the title of the papers served or filed, the name and address of the person making the service, and that he or she is over 18 years of age and not a party to the action. The proof of service shall be signed by the person making it and contain the following statement above the signature, below which the declarant's name shall be typed and signed:

"I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and this declaration was executed at (city, state) on (date)."

- (2) (A) If service is made by mail or express service carrier, in addition to the information provided in paragraph (1), the proof of service shall show the date and place of deposit, the name and address of the person served as shown on the mailing envelope, and that the envelope was sealed and deposited in the mail or provided for overnight delivery, as appropriate.
- (B) A proof of service made in accordance with Section 1013a of the Code of Civil Procedure complies with this paragraph.
- SEC. 4. Section 18670 of the Government Code is amended to read:
- 18670. (a) The board may hold hearings and make investigations concerning all matters relating to the enforcement and effect of this part and rules prescribed under this part. It may inspect any state institution, office, or other place of employment affected by this part to ascertain whether this part and the board rules are obeyed.

The board shall make investigations and hold hearings at the direction of the Governor or the Legislature or upon the petition of an employee or a citizen concerning the enforcement and effect of this part and to enforce the observance of Article VII of the Constitution and of this part and the rules made under this part.

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(b) Effective January 1, 1996, this subdivision shall apply only to state employees in State Bargaining Unit 5. For purposes of subdivision (a), any discipline, as defined by Section 19576.1, is not subject to either a board investigation or hearing. Board review shall be limited to acceptance or rejection of discipline imposed pursuant to Section 19576.1.

- SEC. 5. Section 19173.1 of the Government Code is repealed. SEC. 6. Section 19175 of the Government Code is amended to read:
- 19175. The board at the written request of a rejected probationer, filed within 15 calendar days of the effective date of rejection, may investigate with or without a hearing the reasons for rejection. After investigation, the board may do any of the following:
  - (a) Affirm the action of the appointing power.
  - (b) Modify the action of the appointing power.
- (c) Restore the name of the rejected probationer to the employment list for certification to any position within the class; provided, that his or her name shall not be certified to the agency by which he or she was rejected, except with the concurrence of the appointing power of that agency.
- (d) Restore him or her to the position from which he or she was rejected, but this shall be done only if the board determines, after a hearing, that there is no substantial evidence to support the reason or reasons for rejection, or that the rejection was made in fraud or bad faith. At the hearing, the rejected probationer shall have the burden of proof. Subject to rebuttal by the rejected probationer, it shall be presumed that the rejection was free from fraud and bad faith and that the statement of reasons therefor in the notice of rejection is true.
- 31 (e) Effective January 1, 1996, this section shall not apply to state employees in State Bargaining Unit 5.
  - SEC. 7. Section 19175.3 of the Government Code is repealed.
- 34 SEC. 8. Section 19570.1 of the Government Code is repealed.
- 35 SEC. 9. Section 19572.1 of the Government Code is repealed.
- 36 SEC. 10. Section 19574 of the Government Code is amended 37 to read:
- 38 19574. (a) The appointing power, or its authorized representative, may take adverse action against an employee for one or more of the causes for discipline specified in this article.

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Adverse action is valid only if a written notice is served on the employee prior to the effective date of the action, as defined by board rule. The notice shall be served upon the employee either personally or by mail and shall include: (1) a statement of the nature of the adverse action; (2) the effective date of the action; (3) a statement of the reasons therefor in ordinary language; (4) a statement advising the employee of the right to answer the notice orally or in writing; and (5) a statement advising the employee of the time within which an appeal must be filed. The notice shall be filed with the board not later than 15 calendar days after the effective date of the adverse action.

(b) Effective January 1, 1996, this subdivision shall apply only to state employees in State Bargaining Unit 5. This section shall not apply to discipline as defined by Section 19576.1.

- SEC. 11. Section 19574.1 of the Government Code is amended to read:
- 19574.1. (a) An employee who has been served with notice of adverse action, or a representative designated by the employee, shall have the right to inspect any documents in the possession of, or under the control of, the appointing power which are relevant to the adverse action taken or which would constitute "relevant evidence" as defined in Section 210 of the Evidence Code. The employee, or the designated representative, shall also have the right to interview other employees having knowledge of the acts or omissions upon which the adverse action was based. Interviews of other employees and inspection of documents shall be at times and places reasonable for the employee and for the appointing power.
- (b) The appointing power shall make all reasonable efforts necessary to assure the cooperation of any other employees interviewed pursuant to this section.
- SEC. 12. Section 19574.2 of the Government Code is amended to read:
- 19574.2. (a) Any party claiming that his or her request for discovery pursuant to Section 19574.1 has not been complied with may serve and file a petition to compel discovery with the Hearing Office of the State Personnel Board, naming as respondent the party refusing or failing to comply with Section 19574.1. The petition shall state facts showing that the respondent party failed or refused to comply with Section 19574.1, a description of the

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matters sought to be discovered, the reason or reasons why the matter is discoverable under Section 19574.1, and the ground or grounds of respondent's refusal so far as known to petitioner.

(b) The petition shall be served upon respondent party and filed within 14 days after the respondent party first evidenced his or her failure or refusal to comply with Section 19574.1 or within 30 days after the request was made and the party has failed to reply to the request, whichever period is longer. However, no petition may be filed within 15 days of the date set for commencement of the administrative hearing, except upon a petition and a determination by the administrative law judge of good cause. In determining good cause, the administrative law judge shall consider the necessity and reasons for the discovery, the diligence or lack of diligence of the moving party, whether the granting of the petition will delay the commencement of the administrative hearing on the date set, and the possible prejudice of the action to any party. The respondent shall have a right to file a written answer to the petition. Any answer shall be filed with the Hearing Office of the State Personnel Board and the petitioner within 15 days of service of the petition.

Unless otherwise stipulated by the parties and as provided by this section, the administrative law judge shall review the petition and any response filed by the respondent and issue a decision granting or denying the petition within 20 days after the filing of the petition. Nothing in this section shall preclude the administrative law judge from determining that an evidentiary hearing shall be conducted prior to the issuance of a decision on the petition. In the event that a hearing is ordered, the decision of the administrative law judge shall be issued within 20 days of the closing of the hearing.

A party aggrieved by the decision of the administrative law judge may, within 30 days of service of the decision, file a petition to compel discovery in the superior court for the county in which the administrative hearing will be held or in the county in which the headquarters of the appointing power is located. The petition shall be served on the respondent party.

(c) If from a reading of the petition the court is satisfied that the petition sets forth good cause for relief, the court shall issue an order to show cause directed to the respondent party; otherwise the court shall enter an order denying the petition. The order to

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show cause shall be served upon the respondent and his or her attorney of record in the administrative proceeding by personal delivery or certified mail and shall be returnable no earlier than 10 days from its issuance nor later than 30 days after the filing of the petition. The respondent party shall have the right to serve and file a written answer or other response to the petition and order to show cause.

- (d) The court may, in its discretion, order the administrative proceeding stayed during the pendency of the proceeding, and, if necessary, for a reasonable time thereafter to afford the parties time to comply with the court order.
- (e) Where the matter sought to be discovered is under the custody or control of the respondent party and the respondent party asserts that the matter is not a discoverable matter under Section 19574.1, or is privileged against disclosure under Section 19574.1, the court may order lodged with it matters which are provided in subdivision (b) of Section 915 of the Evidence Code and shall examine the matters in accordance with the provisions thereof.
- (f) The court shall decide the case on the matters examined by the court in camera, the papers filed by the parties, and any oral argument and additional evidence as the court may allow.
- (g) Unless otherwise stipulated by the parties, the court shall no later than 45 days after the filing of the petition file its order denying or granting the petition; provided, however, that the court may on its own motion for good cause extend the time an additional 45 days. The order of the court shall be in writing setting forth the matters or parts the petitioner is entitled to discover under Section 19574.1. A copy of the order shall forthwith be served by mail by the clerk upon the parties. Where the order grants the petition in whole or in part, the order shall not become effective until 10 days after the date the order is served by the clerk. Where the order denies relief to the petitioning party, the order shall be effective on the date it is served by the clerk.
- (h) The order of the superior court shall be final and, except for this subdivision, shall not be subject to review by appeal. A party aggrieved by the order, or any part thereof, may within 30 days after the service of the superior court's order serve and file in the district court of appeal for the district in which the superior court is located, a petition for a writ of mandamus to compel the superior court to set aside, or otherwise modify, its order. Where a review

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is sought from an order granting discovery, the order of the trial court and the administrative proceeding shall be stayed upon the filing of the petition for writ of mandamus; provided, however, that the court of appeal may dissolve or modify the stay thereafter, if it is in the public interest to do so. Where the review is sought from a denial of discovery, neither the trial court's order nor the administrative proceeding shall be stayed by the court of appeal except upon a clear showing of probable error.

(i) Where the superior court finds that a party or his or her attorney, without substantial justification, failed or refused to comply with Section 19574.1, or, without substantial justification, filed a petition to compel discovery pursuant to this section, or, without substantial justification, failed to comply with any order of court made pursuant to this section, the court may award court costs and reasonable attorney fees to the opposing party. Nothing in this subdivision shall limit the power of the superior court to compel obedience to its orders by contempt proceedings.

SEC. 13. Section 19575 of the Government Code is amended to read:

19575. The employee has 30 calendar days after the effective date of the adverse action to file with the board a written answer to the notice of adverse action. The answer shall be deemed to be a denial of all of the allegations of the notice of adverse action not expressly admitted and a request for hearing or investigation as provided in this article. With the consent of the board or its authorized representative an amended answer may subsequently be filed. If the employee fails to answer within the time specified or after answer withdraws his or her appeal the adverse action taken by the appointing power shall be final. A copy of the employee's answer and of any amended answer shall promptly be given by the board to the appointing power.

SEC. 14. Section 19576 of the Government Code is amended to read:

19576. Whenever an answer is filed by an employee who has been suspended without pay for five days or less, or who has received a formal reprimand or up to a one-step reduction in pay for four months or less, the board or its authorized representative shall make an investigation with or without a hearing as it deems necessary. However, in the event an employee receives one of these actions under subdivision (r) of Section 19572 for behavior

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or acts outside of duty hours, the employee shall, if he or she files an answer to the action, be afforded a hearing. If the employee receives one of the cited actions in more than three instances in any 12-month period, the employee shall, upon each additional action within the same 12-month period, be afforded a hearing if the employee files an answer to the action.

If the provisions of this section concerning whether a hearing should be held are in conflict with the provisions of a memorandum of understanding reached pursuant to the State Employer-Employee Relations Act (SEERA), commencing with Section 3512, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

- SEC. 15. Section 19576.5 of the Government Code is repealed. SEC. 16. Section 19576.6 of the Government Code is repealed. SEC. 17. Section 19578 of the Government Code is amended to read:
- 19578. Except as provided in Section 19576, whenever an answer is filed to an adverse action, the board or its authorized representative shall within a reasonable time hold a hearing. The board shall notify the parties of the time and place of the hearing. The hearing shall be conducted in accordance with the provisions of Section 11513 of the Government Code, except that the employee and other persons may be examined as provided in Section 19580, and the parties may submit all proper and competent evidence against or in support of the causes.
- SEC. 18. Section 19582 of the Government Code is amended to read:
- 19582. (a) Hearings may be held by the board, or by any authorized representative, but the board shall render the decision that in its judgment is just and proper.
- During a hearing, after the appointing authority has completed the opening statement or the presentation of evidence, the employee, without waiving his or her right to offer evidence in the event the motion is not granted, may move for a dismissal of the charges.
- If it appears that the evidence presented supports the granting of the motion as to some but not all of the issues involved in the

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action, the board or the authorized representative shall grant the motion as to those issues and the action shall proceed as to the issues remaining. Despite the granting of the motion, no judgment shall be entered prior to a final determination of the action on the remaining issues, and shall be subject to final review and approval by the board.

- (b) If a contested case is heard by an authorized representative, he or she shall prepare a proposed decision in a form that may be adopted as the decision in the case. A copy of the proposed decision shall be filed by the board as a public record and furnished to each party within 10 days after the proposed decision is filed with the board. The board itself may adopt the proposed decision in its entirety, may remand the proposed decision, or may reduce the adverse action set forth therein and adopt the balance of the proposed decision.
- (c) If the proposed decision is not remanded or adopted as provided in subdivision (b), each party shall be notified of the action, and the board itself may decide the case upon the record, including the transcript, with or without taking any additional evidence, or may refer the case to the same or another authorized representative to take additional evidence. If the case is so assigned to an authorized representative, he or she shall prepare a proposed decision as provided in subdivision (b) upon the additional evidence and the transcript and other papers that are part of the record of the prior hearing. A copy of the proposed decision shall be furnished to each party. The board itself shall decide no case provided for in this subdivision without affording the parties the opportunity to present oral and written argument before the board itself. If additional oral evidence is introduced before the board itself, no board member may vote unless he or she heard the additional oral evidence.
- (d) In arriving at a decision or a proposed decision, the board or its authorized representative may consider any prior suspension or suspensions of the appellant by authority of any appointing power, or any prior proceedings under this article.
- (e) The decision shall be in writing and contain findings of fact and the adverse action, if any. The findings may be stated in the language of the pleadings or by reference thereto. Copies of the decision shall be served on the parties personally or by mail.
  - SEC. 19. Section 19582.1 of the Government Code is repealed.

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SEC. 20. Section 19582.6 of the Government Code is repealed. SEC. 21. Section 19583 of the Government Code is amended to read:

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3 19583. The board shall render a decision within a reasonable 4 5 time after the hearing or investigation. The adverse action taken by the appointing power shall stand unless modified or revoked 7 by the board. If the board finds that the cause or causes for which 8 the adverse action was imposed were insufficient or not sustained, or that the employee was justified in the course of conduct upon 10 which the causes were based, it may modify or revoke the adverse action and it may order the employee returned to his or her position 11 12 with appropriate restoration of backpay and lost benefits either as 13 of the date of the adverse action or as of such later date as it may 14 specify. The decision of the board shall be entered upon the minutes 15 of the board and the official roster.